



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE  
August 26, 2004

Contact: Mitchel Benson  
(916) 653-4052

## **TREASURER ANGELIDES CALLS ON CACI'S BOARD TO HOLD ITS COMPANY'S EXECUTIVES RESPONSIBLE FOR THEIR INTERROGATORS' CONDUCT AT ABU GHRAIB PRISON**

*Latest U.S. Army Investigation Found CACI Contract Negotiators  
Deeply Involved In 'Inhumane to Sadistic' Abuses*

SACRAMENTO, CA – California State Treasurer Phil Angelides today made the following comments regarding the Army's Fay-Jones report on the abuse of Iraqi detainees at the Abu Ghraib prison, and the role of contract interrogators for CACI International Inc. Angelides is a trustee of the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), which own a combined 286,982 shares in the publicly traded CACI. Angelides and other CalPERS and CalSTRS board members have previously raised questions about CACI's role and management practices related to the Abu Ghraib events. Angelides himself recently expressed his view that the public pension funds should divest their CACI holdings if the company does not get out of the risky business of supplying interrogators in wartime settings:

"The Army's Fay-Jones report on the abuse of Iraqi detainees at Abu Ghraib prison confirms the worst fears of shareholders of CACI International Inc. The Fay-Jones report finds that CACI contract interrogators were deeply involved in the abuses, which the report describes as 'ranging from inhumane to sadistic.' It finds that CACI employees abused detainees, encouraged soldiers to abuse prisoners, and failed to report abuse they witnessed. And, it recommends that three CACI employees be referred to the Justice Department for possible prosecution.

"Yet despite the voluminous Fay-Jones report, which attributes the abuses at Abu Ghraib to failures of both discipline and leadership, the management of CACI has failed to take responsibility for its role in these disturbing events, which represented a setback in the war on terrorism and a black mark on America's reputation around the world. Instead, CACI has vilified concerned shareholders who have asked legitimate questions about its contracting practices and its involvement at Abu Ghraib. Only days before the release of the Fay-Jones report, the company announced that it had found 'no tangible or credible evidence' of CACI involvement in any Abu Ghraib abuses, despite the findings of the Army's earlier Taguba report to the contrary.

"Even today, the management describes itself 'pleased' that its employees were not involved in any 'horrendous' acts, a sentiment that most readers of the Fay-Jones report will emphatically not share. It is time for CACI's top management to get out of denial and hold their company accountable for behavior that hurt both shareholders and the country.

“To that end, I believe CACI’s Board of Directors must independently investigate the breakdown of management, leadership, and discipline at CACI that led to the company’s involvement in the vile conduct at Abu Ghraib described in the Fay-Jones report. It must fully and promptly get all the facts out into the open and reform the company’s practices. And, based on that investigation, the board should move immediately to seek resignations of any of the management, including the chief executive, who failed the shareholders, our soldiers, and America’s values. I have written to my fellow board members at CalPERS and CalSTRS, as shareholders in CACI, asking the pension funds to call for this immediate action by CACI’s Board of Directors.”



PHILIP ANGELIDES  
Treasurer  
State of California

August 26, 2004

Honorable Members, Board of Administration  
California Public Employees' Retirement System  
400 P Street  
Sacramento, CA 95814

Honorable Members:

The Army's newly released Fay-Jones report on the abuse of Iraqi detainees at Abu Ghraib prison unfortunately confirms the worst fears that we, as shareholders of CACI International Inc., had about the company's alleged involvement in those disturbing events. The Fay-Jones report finds that CACI contract interrogators were deeply involved in the abuses, which it describes as 'ranging from inhumane to sadistic.' It finds that CACI employees abused detainees, encouraged soldiers to abuse prisoners, and failed to report abuse they witnessed. It recommends that three CACI employees be referred to the Justice Department for possible prosecution.

Yet despite the voluminous Fay-Jones report, which attributes the abuses at Abu Ghraib to failures of both discipline and leadership, the management of CACI has failed to take responsibility for its role in the scandal, which represented a major setback in the war on terrorism and a black mark on America's moral reputation around the world. It is now apparent that it was less than forthcoming when it met with board members and staff earlier this month to address the questions I had earlier raised about its contracting practices and its involvement at Abu Ghraib, which had put the company at risk of being debarred from federal work, its major source of revenue. Only days before the release of the Fay-Jones report it announced it had found "no tangible or credible evidence" of CACI involvement in any Abu Ghraib abuses, the findings of the earlier Taguba report to the contrary.

Even now the management describes itself 'pleased' that its employees were not involved in any 'horrendous' acts, a sentiment that most readers of the Fay-Jones report will emphatically not share. It is time for CACI to get out of denial and hold itself accountable for behavior that hurt both shareholders and the country.

I have taken the position that, given the seeming inability of CACI's management to oversee and manage the inherent risks of providing civilian interrogators in war-time settings, our funds should get out of CACI if CACI does not get out of the interrogation business. But if CalPERS chooses to hold the stock, I urge the system to call on CACI's

Board of Directors to act to ensure the accountability that shareholders deserve. CACI's Board of Directors must independently investigate the breakdown of management, leadership and discipline at CACI that led to the company's involvement in the vile conduct at Abu Ghraib described in the Fay-Jones report. It must fully and promptly get all the facts out into the open and reform the company's practices. And, based on that investigation, the board should move immediately to seek the resignations of any of the management, including the chief executive, who failed the shareholders, our soldiers and America's values.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Phil Angelides', is written over a light blue rectangular background.

Phil Angelides  
State Treasurer

cc: Fred Buenrostro, Chief Executive Officer  
Mark Anson, Chief Investment Officer



PHILIP ANGELIDES  
Treasurer  
State of California

August 26, 2004

Honorable Members, Teacher's Retirement Board  
California State Teachers' Retirement System  
7667 Folsom Boulevard, 3<sup>rd</sup> Floor  
Sacramento, CA 95851

Honorable Members:

The Army's newly released Fay-Jones report on the abuse of Iraqi detainees at Abu Ghraib prison unfortunately confirms the worst fears that we, as shareholders of CACI International Inc., had about the company's alleged involvement in those disturbing events. The Fay-Jones report finds that CACI contract interrogators were deeply involved in the abuses, which it describes as 'ranging from inhumane to sadistic.' It finds that CACI employees abused detainees, encouraged soldiers to abuse prisoners, and failed to report abuse they witnessed. It recommends that three CACI employees be referred to the Justice Department for possible prosecution.

Yet despite the voluminous Fay-Jones report, which attributes the abuses at Abu Ghraib to failures of both discipline and leadership, the management of CACI has failed to take responsibility for its role in the scandal, which represented a major setback in the war on terrorism and a black mark on America's moral reputation around the world. It is now apparent that it was less than forthcoming when it met with board members and staff earlier this month to address the questions I had earlier raised about its contracting practices and its involvement at Abu Ghraib, which had put the company at risk of being debarred from federal work, its major source of revenue. Only days before the release of the Fay-Jones report it announced it had found "no tangible or credible evidence" of CACI involvement in any Abu Ghraib abuses, the findings of the earlier Taguba report to the contrary.

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Board of Directors to act to ensure the accountability that shareholders deserve. CACI's Board of Directors must independently investigate the breakdown of management, leadership and discipline at CACI that led to the company's involvement in the vile conduct at Abu Ghraib described in the Fay-Jones report. It must fully and promptly get all the facts out into the open and reform the company's practices. And, based on that investigation, the board should move immediately to seek the resignations of any of the management, including the chief executive, who failed the shareholders, our soldiers and America's values.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Phil Angelides', with a long horizontal flourish extending to the right.

Phil Angelides  
State Treasurer

cc: Jack Ehnes, Chief Executive Officer  
Chris Ailman, Chief Investment Officer